

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7218**

**BILL NUMBER:** SB 505

**NOTE PREPARED:** Feb 16, 2009

**BILL AMENDED:** Feb 12, 2009

**SUBJECT:** Trustee Duties Concerning Life Insurance.

**FIRST AUTHOR:** Sen. Zakas

**FIRST SPONSOR:** Rep. VanHaaften

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** (Amended) This bill provides that unless a trust document provides otherwise, a trustee does not have the following duties under the Indiana Uniform Prudent Investor Act with respect to the acquisition or retention of any contract of life insurance: (1) a duty to determine whether a contract of insurance is or remains a proper investment; (2) a duty to exercise policy options, including investment options, available under a contract of insurance; or (3) a duty to diversify if a contract of insurance is the sole or a major asset of a trust.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Diane Powers, 317-232-9853.